



Beaverton Business

THE SOFTWARE INDUSTRY

ROUND TABLE



According to the Software Association of Oregon, more than 150 software companies have offices in the Beaverton area. As the chart below indicates, the industry saw steady growth from 1997 to 2001 (the statistics from 2002 are not available yet). Most people think of software in terms of games or of programs such as Word or PowerPoint. The industry actually encompasses three different groups.

- 1) **Pure software development.** This includes the development of educational, sales, project management, and other software packages.
- 2) **Hardware-related software.** This includes the software embedded in hardware such as computers, televisions, cellular telephones, projectors, etc.
- 3) **Information technology.** Many companies (e.g., large health care systems) have their own internal information technology departments with people who create customized software.

Software Industry Growth in Oregon

1997 - 2001

	1997	1998	1999	2000	2001
Companies	1,420	1,816	1,966	2,040	2,319
Employees	14,920	17,868	21,213	24,100	24,200
Wages (average)	\$47,561	\$52,388	\$57,794	\$62,609	\$63,705

Source: Oregon Software and Technology Industry 2002 Directory, Oregon Employment Department, www.state.or.us.

Continuing to Grow

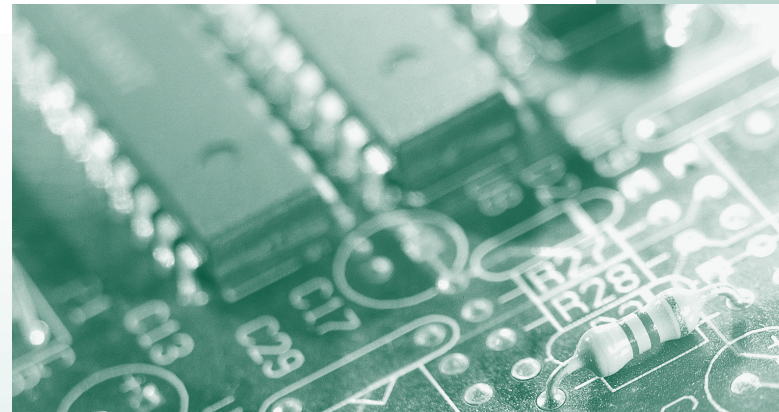
To continue prospering, the speakers noted several issues that affect the long-term health of the software industry in Oregon. All of the speakers agreed that the quality of K-12 education is their most pressing concern. It affects the families of current employees, inhibits our ability to attract new employees to the region, and if not addressed, will make it difficult for the industry to continue growing in Oregon over the long-term. Other issues they mentioned included the following:

- It is crucial that companies can recruit skilled workers. In the past, when technology was emerging in so many new areas, young people considered it a "cool" career path. No longer new and exciting, it is now more challenging to interest students in technology-related careers.
- Interest in the industry needs to be developed in middle school, if not before. This is when students, particularly girls, begin losing interest in the technology fields.
- In addition to having expertise in technology, workers need to understand business as well. Having a top-quality, local business school is important for developing these skills.
- Currently, the regulatory system inhibits the development and growth of companies. Particularly, the regulatory agencies need to make it easier for start-up companies to enter the marketplace.
- It is necessary to have an environment that nurtures entrepreneurs.
- Prospective employees want to live in pleasant neighborhoods and be able to send their children to good schools. Issues related to the quality and funding of Oregon's schools have a profound affect on those who are considering job opportunities in the state.
- Start-up and established software companies need to have access to skilled executives/managers and capital resources.

The Future

Many of the necessary elements that will enable small- and medium-sized software companies to continue growing over the next few years are in place. However, the way the state deals with the educational funding and taxation issues and implements new economic development strategies (discussed in the March 2003 Round Table) will affect the overall prosperity of the software industry as well as other industries in Beaverton and throughout Oregon.

Finally, in a plea from speaker Larry Wade, "We need to help the schools build thinking, feeling, and creative individuals." While more of the production work is going overseas, most companies are still keeping their creative functions in the United States. We must continue developing these skills in our children. Council members wholeheartedly agreed with these comments and thought it crucial that Beaverton's schools work towards this goal.



Speakers

Larry Wade, *President, Software Association of Oregon*
 Dan McGee, *Program Director, IBM Linux Technology Center*
 Mona Westhaver, *President and Co-Founder, Inspiration Software, Inc.*

City Council

Rob Drake, *Mayor*
 Betty Bode
 Dennis Doyle
 Fred Ruby
 Forrest Soth
 Cathy Stanton

Staff

Linda Adlard, *Chief of Staff*
 Sue Nelson, *Deputy City Recorder*
 Janet Young, *Economic Development Manager*

Economic Development Program

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